

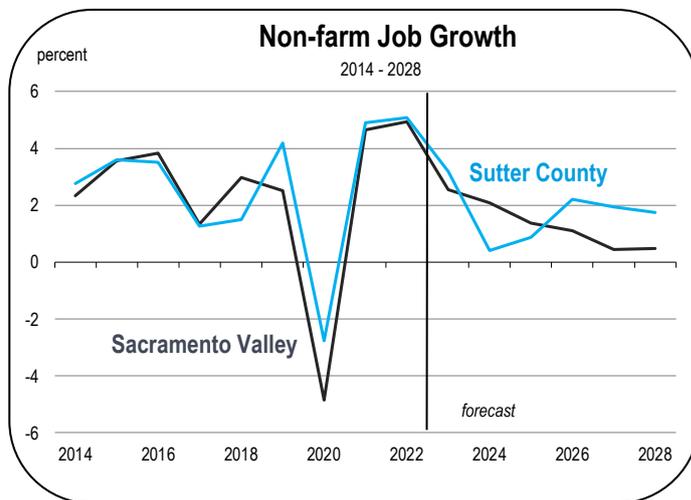
Sutter County Economic Forecast

Forecast Summary

- Employment increased over 1,400 jobs in 2022 building on the record setting level of employment set the previous year.
- The healthcare sector will lead all labor markets in job creation during the period from 2023-2028.
- The Farm sector employs 11 percent of the total workforce in the County. Rice is the principal crop.
- Significant growth of the workforce will also occur in the public sector over the forecast period.
- The unemployment rate averaged 6.6 percent in 2022. It is forecast to average 7.8 percent in 2023 and 7.9 percent in 2024.
- The Sutter County population is expected to grow lower than other counties comprising the Sacramento Valley region in the next five years.
- The median home value increased by 6.0 percent in 2022 to \$436,000. Home prices are on pace to fall 6.7 percent in 2023 and expected to average 3.1 percent appreciation per year between 2024-2028.
- One of the largest developments in Northern California is the Sutter Point Specific Plan, calling for 17,500 homes to be built over a 20-to-30-year period. This development alone would accommodate up to 50,000 additional residents in the County.

Job Growth

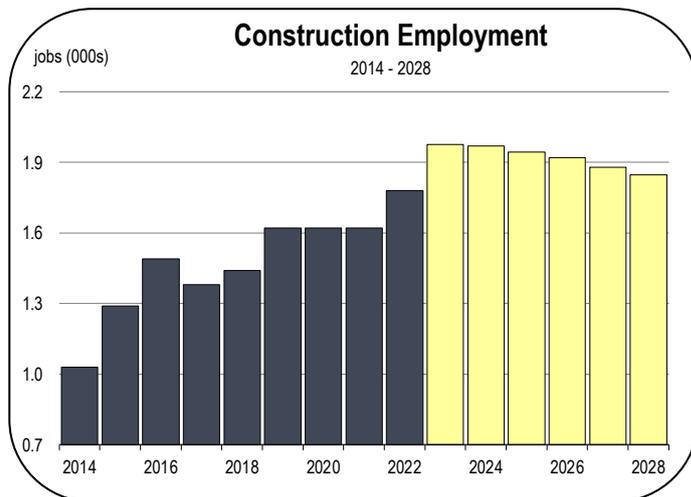
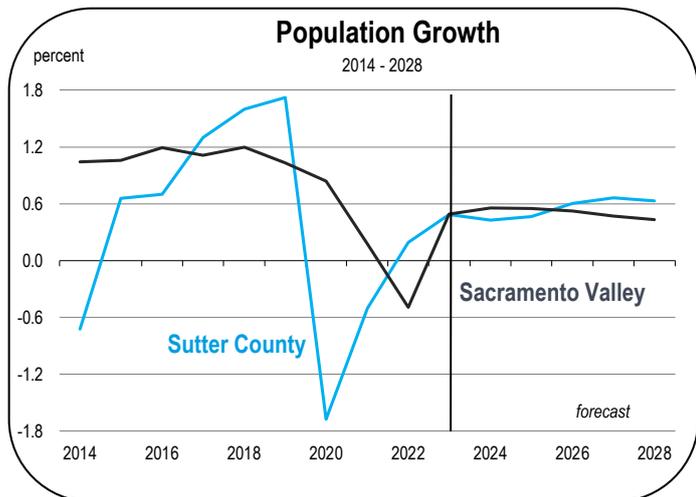
- Total non-farm employment increased 4.4 percent in 2022 with the addition of 1,430 jobs.



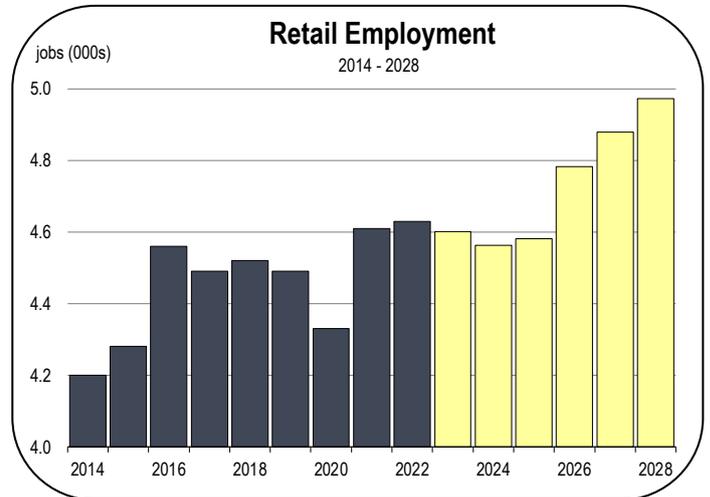
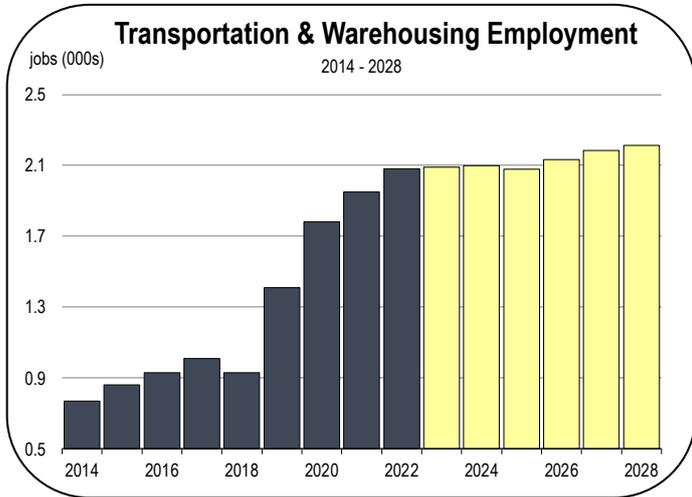
- Non-farm employment is on pace to add 865 jobs in 2023, an increase of 2.5 percent.
- Employment is forecast to average 1.4 percent growth per year between 2024-2028 with the creation of over 2,400 jobs.

Construction Employment

- Employment in construction moved to a record workforce level in 2022 with 9.9 percent growth and 160 new jobs.
- The sector is on pace to grow 11.0 percent in 2023 with the addition of 200 new jobs.
- Job consolidation will occur over the forecast period with the loss of 130 jobs representing an average annual decrease of 1.3 percent.



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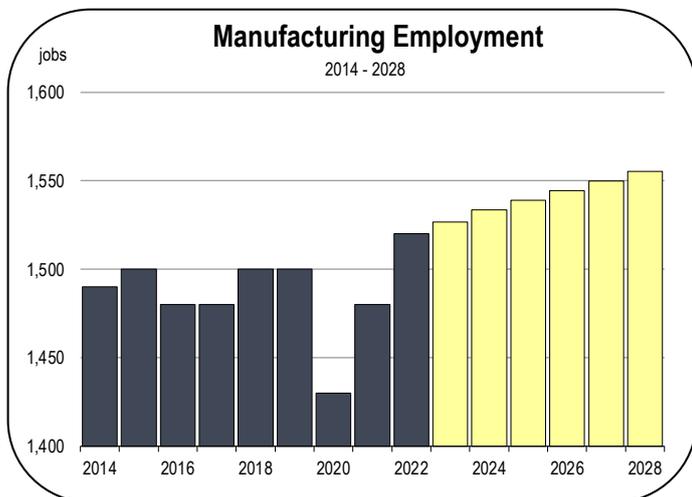


Transportation and Warehousing Employment

- The broader Sacramento area is becoming a major hub for logistics and fulfillment centers, with firms like Amazon opening facilities across the region.
- There are 250 employees at the Amazon warehouse in Yuba City. The average warehouse worker earns \$31,346 annually.
- Employment growth in this sector grew 6.7 percent in 2022 with the creation of 130 jobs. Employment will be stable in 2023 and average annual growth of 1.2 percent between 2024-2028 represented by 150 new jobs.

Manufacturing Employment

- The industry is made up largely of food and beverage processing in Sutter County.



- The sector added 20 jobs in 2022 and has surpassed the employment level reached prior to the pandemic.
- There will be minimal employment growth with an average annual increase of 0.4 percent expected between 2023 and 2028.

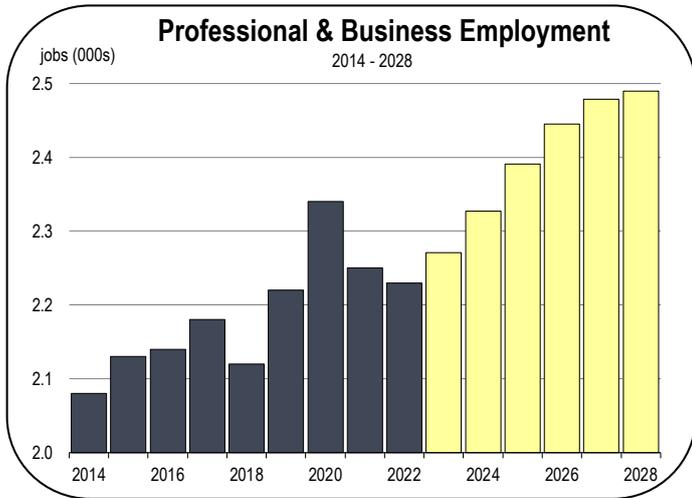
Retail Trade Employment

- In 2022, the county retail sector saw minimal employment growth with the addition of 20 jobs. The sector is on pace to contract employment marginally in 2023.
- No expansion of the retail employment base is expected in the county for the next three years, rising later in the decade with the development of Sutter Point and supporting retail stores. Over the 2025 to 2028 period a net addition of 375 jobs is forecast.

- There are several large retailers in the county:

Store	Number of Employees
Sierra Gold Nurseries	>500
Home Depot	250-500
Walmart	250-500
Lowe's Home Improvement	100 to 250
Sam's Club	100 to 250
Target	100 to 250
Valley Truck & Tractor	100 to 250
Winco Foods	100 to 250

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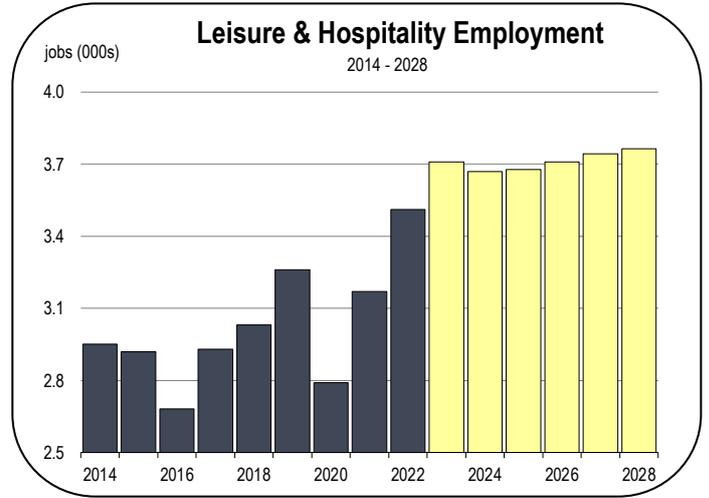
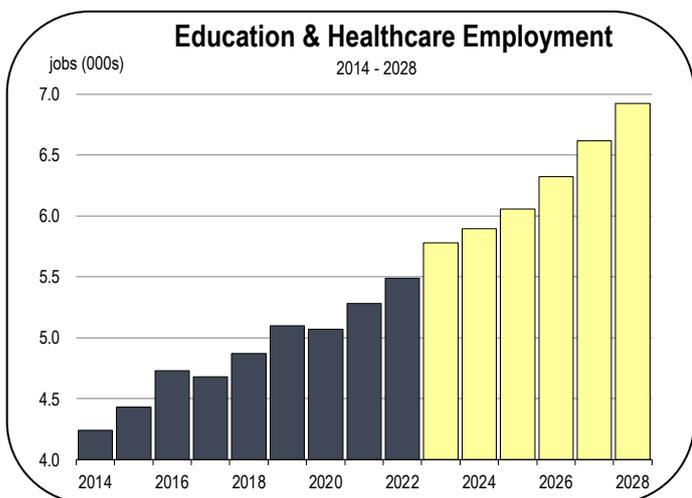


Professional and Business Services Employment

- The professional and business services industry is a diverse collection of sectors that generally support local business activity.
- Employment or “staffing” services is the largest subsector.
- There was some job consolidation in 2022 with the loss of 20 jobs in the professional and business services industry.
- In 2023, the sector is on pace to grow 1.8 percent with the addition of 40 jobs.
- The forecast calls for average annual growth of 1.9 percent resulting in 220 new jobs between 2024-2028.
- The largest gains in new jobs created are in staffing agencies. In Sutter County, staffing agencies typically work with the agriculture industry, providing workers to local farms on a contract basis.

Healthcare Employment

- Healthcare is the largest industry in the county, comprising 16.5 percent of all non-farm jobs.



Leisure and Hospitality Employment

- The largest healthcare establishment in the county is Sutter Health operating Sutter County Public Health, Sutter North Medical Group, and Sutter Medical Foundation, all in Yuba City.
- In 2022, the healthcare sector grew 4.0 percent with the addition of 210 jobs.
- The sector is on pace in 2023 to provide 290 jobs, more than any other sector, and represent 5.3 percent growth.
- The healthcare sector will continue to be the largest source of new employment over the forecast period with 1,150 new jobs forecast between 2024-2028.

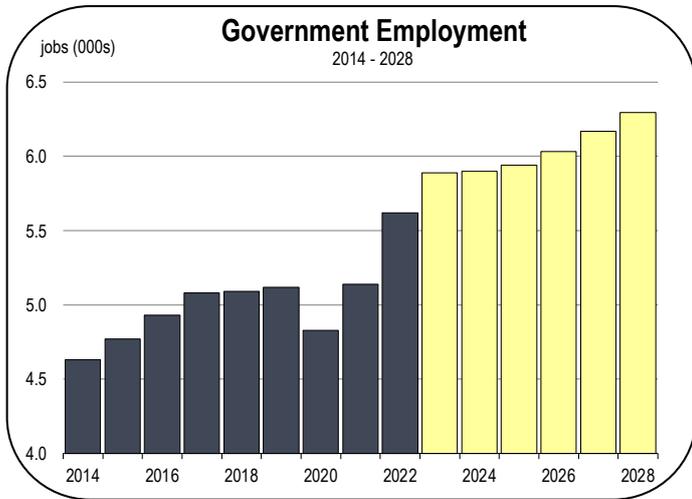
Leisure and Hospitality Employment

- Leisure and hospitality employment grew 10.7 percent in 2022 adding 340 new jobs.
- In 2023, the sector is continuing to grow at an expected rate of 5.6 percent resulting in 200 new jobs.
- Job consolidation is expected in 2024 with the loss of 40 jobs.
- Average annual job growth of 0.7 percent resulting in 100 new jobs is forecast between 2025-2028.

Government Employment

- Public sector employment was the largest source of new jobs in 2022 with 480, representing growth of 9.3 percent.
- The government is on pace to hire 270 more employees in 2023.
- Over the 2024-2028 period, government agencies will generate 400 new jobs, growing employment at an average annual rate of 1.4 percent.

Sutter County Economic Forecast



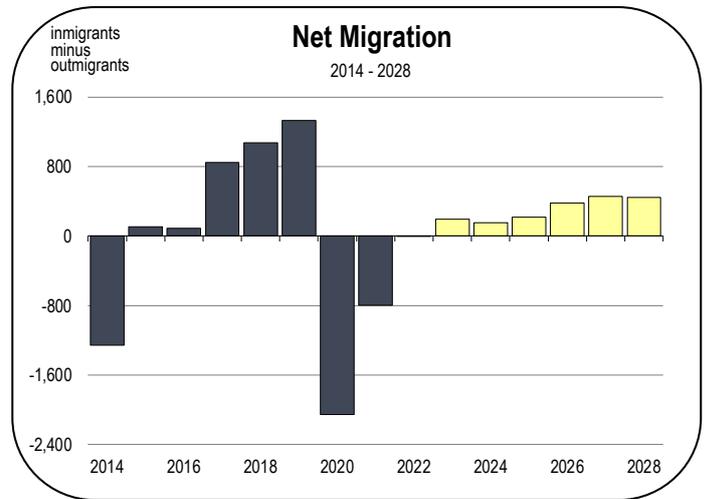
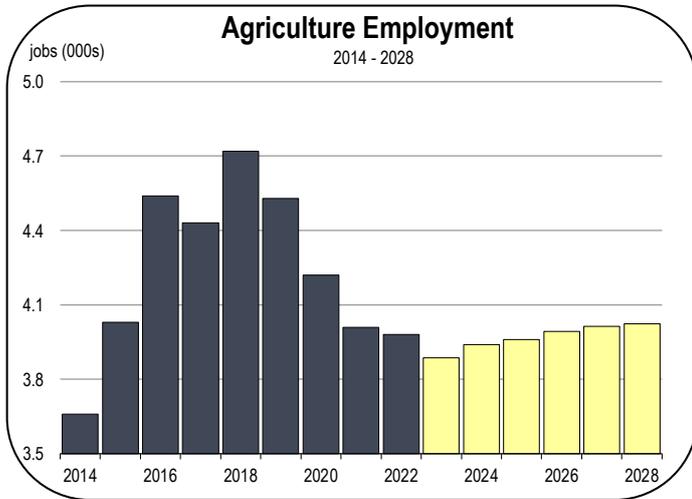
Rice fields in Sutter County

Agriculture Employment

- Agriculture is among the largest industries in Sutter County. Total employment in farming was at 5,400 in August 2023. Farming accounts for over 11 percent of the county’s total labor market.
- Nevertheless, farming employment has fallen over 17 percent since 2018. 2023 will be the fifth year in a row of negative job growth with employment falling 2.3 percent represented by the loss of almost 100 jobs. Over this stretch, the farm labor market has declined by over 800 jobs.
- This downward trend is expected to reverse over the forecast period with moderate average annual growth of 0.7 percent represented by 150 new jobs expected between 2024-2028.
- The most prominent agriculture commodities in Sutter County are rice and walnuts.
- Thanks to a wet winter and spring during 2023, California rice country is largely back to normal. Planes dropped seed on flooded fields and planting sharply ramped up in the Sacramento Valley in 2023.
- With growers throughout the Sacramento Valley going full throttle, more than 90 percent of the state’s rice ground was planted in 2023, on approximately 470,000 acres. Only 246,000 acres were planted in 2022, the lowest number since 1958.
- The Sacramento Valley is the largest rice-growing region in California.
- The value of the 2021 crop in Sutter County rose 9.2 percent to \$622 million. The largest crop is rice, accounting for 28 percent of the total crop value.
- Sutter County farms produced \$569 million in agricultural output in 2022. This was a decline of 8.4 percent from total farm sales in 2021, due entirely to the drought. In 2022, rice production declined due to the drought. Aggregate value also declined although price per ton was much higher due to lower production in the region.
- Walnuts represented 19 percent of total agricultural value, followed by clingstone peaches, prunes, and then almonds.

County	Rice Production in Tons		Value of Rice production		Average Price per Ton	
	2021	2022	2021	2022	2021	2022
Sutter	330,807	219,500	163,419,000	153,637,000	494.00	699.94
Yuba	146,212	162,782	100,886,000	113,948,000	690.00	700.00
Glen	321,491	105,956	155,280,000	76,606,000	483.00	723.00
Colusa	562,543	81,398	271,146,000	54,211,000	482.00	666.00
Butte	316,465	410,131	155,067,850	324,003,490	490.00	790.00
Yolo	68,900	27,000	38,791,000	20,763,000	563.00	769.00

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- Most of the Sacramento Valley was classified as experiencing extreme drought in 2020, 2021 and 2022. Conditions changed dramatically during the winter of 2022-2023. With the heavy rainfall in 2023 along with full plantings of rice, and an expected El Nino during the 2023-2024 winter, agricultural values are expected to rise again. Record harvests of rice are expected in 2023, offsetting the low production year of 2022.
- Sales of agricultural products are expected to approach \$800 million by 2028.

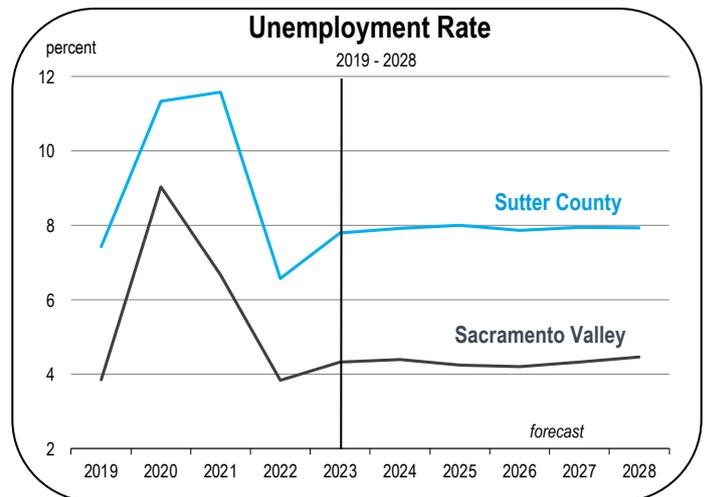
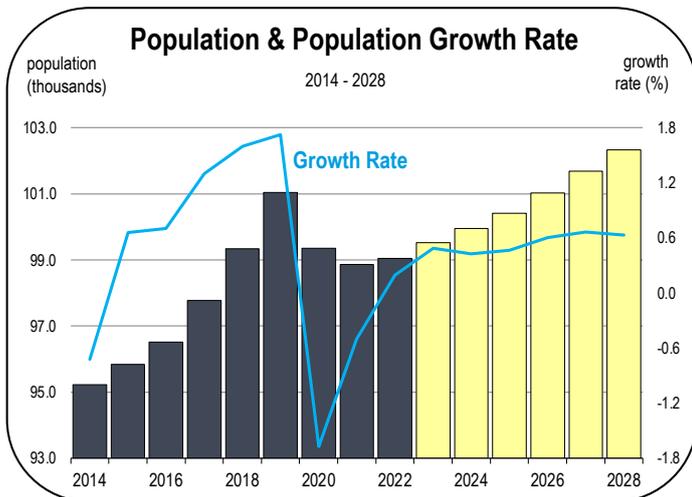
- Over the forecast period, there will be more people who move into Sutter County than residents who move out. Between 2024 and 2028, net in-migration will add an average of 230 residents to the Sutter County population each year.
- The natural increase (births minus deaths) will add approximately 230 residents to the county each year.
- The Sutter County population is expected to expand at a 0.6 percent average annual growth rate over the next five years, approaching 102,000 residents by mid-2028.

Population Growth

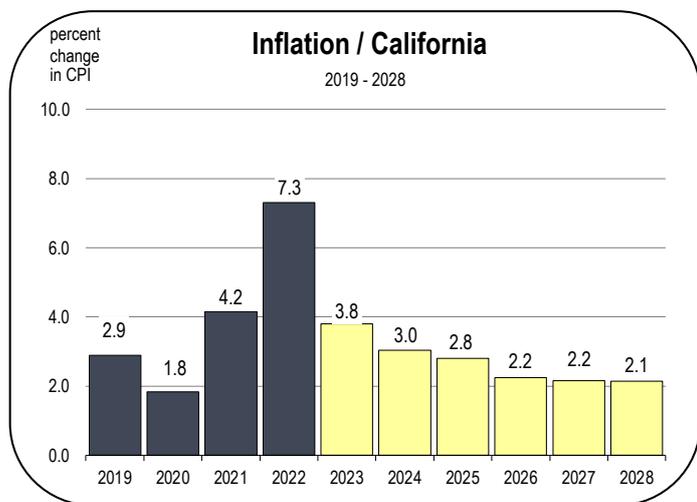
- Sutter County experienced minor growth in 2022 with the addition of 200 new residents.
- Growth in 2023 is on pace to approach 500 new residents, with about 40 percent of those coming via migration.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California and parts of Sacramento County for the affordable housing options in Sutter County.

Unemployment and Inflation Rates

- The unemployment rate in Sutter County averaged 6.6 percent in 2022.
- The unemployment rate in Sutter County is always higher than the Sacramento Valley average because Sutter County has a larger share of agricultural workers, and agriculture is a seasonal industry.
- An unemployment rate below 8.0 percent signifies a fully employed workforce in Sutter County.



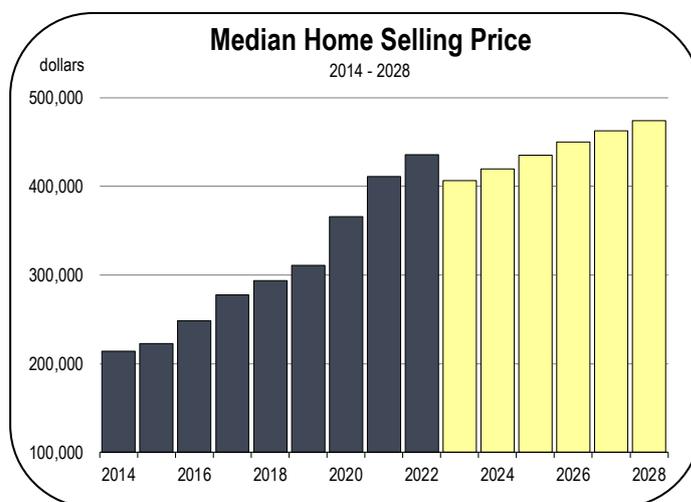
Sutter County Economic Forecast



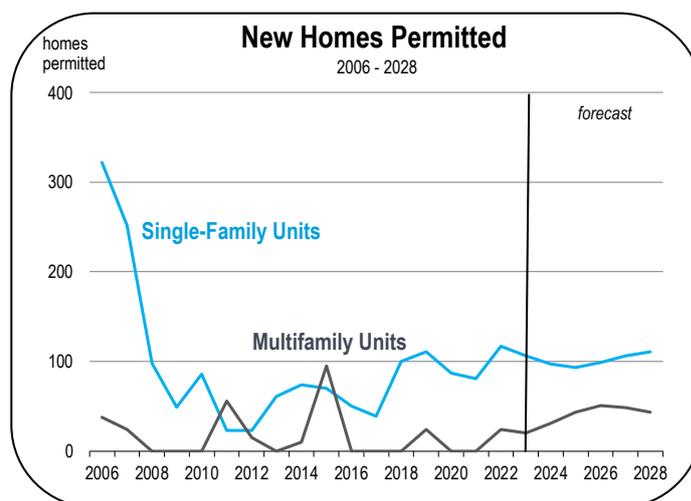
- The unemployment rate is expected to average 7.8 percent in 2023, and average 7.9 percent over the forecast period.
- Inflation in California, including Sacramento Valley, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.
- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.
- Average general inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

- In 2022 the median home price in Sutter County was \$436,000, an increase of 6.0 percent over the previous year.
- Home values are on pace to fall 6.7 percent in 2023 but are expected to appreciate on average 3.1 percent per year during 2024-2028.



- Home prices have increased rapidly in Sutter County for most of the last decade. From 2013 to 2023, the median price increased at an average rate of almost 10 percent per year. As a result, prices have more than doubled.
- Despite surging values, Sutter County homes are still affordable to many households.
- In 2022, a typical household in Sutter County would have had to spend just 22 percent of its pre-tax income on mortgage payments to afford the median-priced home, which is well below the California average.
- At the same time, incomes have risen in tandem with housing values, although at a slower pace. By 2021, the median family income in Sutter County was \$73,000. In 2010 it was just \$55,000.
- From 2017 to 2022, an average of 100 new homes were started per year in Sutter County. Approximately 92 percent were single-family homes.
- Housing production is expected to average about 140 homes per year from 2023 to 2028, 72 percent of which will be single-family homes.



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New Development in Sutter County

A federal ban on development in the majority of Sutter County has made it difficult for the County and cities to address the revenue needs for basic services for the population. The biggest detriments to needed development is the Federal Emergency Management Agency's (FEMA) laws and regulations related to building in a floodplain, which comprises 68 percent of the land area of Sutter County. FEMA restrictions prevent businesses and industries in general from locating within much of the county. Consequently, housing, job opportunities and tax revenue are restricted.

Sutter Point

- The Sutter Point Specific Plan is the largest development project in Sutter County. The plan was approved in 2009, and 11 years later, the first phase of the project was approved by the Board of Supervisors. This occurred after FEMA restrictions were lifted
- The development calls for 17,500 homes, 1,000 acres of community service uses including parks, schools, and community facilities. It will accommodate up to 50,000 new residents.
- Phase 1 is called Lakeside at Sutter Point. It actually consists of two more phases and comprises over 873 acres of land in the northeast portion of the greater specific plan area, located just north of Riego Road and South of Sankey Road. Extensive initial grading for Lakeside is currently underway.
- Lakeside is approved for 3,388 single-family homes, 399 multi-family homes, 45 acres of commercial centers, parklands, open space, and a K-8 school. The builders are Lennar and Winn Communities.
- In August of 2023, the Supervisors approved the final map for Lakeside. The map identifies lots for 1,464 single family homes as part of an active adult community for residents aged 55 and over. The approval allows infrastructural development to proceed to service the potential homes. This includes roads, water lines, sewer lines, and storm drains.
- It is estimated that the three phases of Lakeside will ultimately accommodate 10,479 residents.
- The Sutter Point Specific Plan will take decades to complete, and is estimated to create 20,000 jobs.
- The total project value is estimated at \$178 million.



Lakeside at Sutter Point

Yuba City

- Yuba City is currently up to a myriad of new development projects including mixed-use and commercial developments.
- In total, Yuba City has approved 1,266 single family lots across 16 home and affordable housing developments, along with 20 two family units, and 233 multiple family units, of which 226 are affordable multiple family units. 1,437 single family lots are currently pending approval.
- The River Oaks Family Apartments, 148 units for families at 30%, 40%, 50% and 55% of the median income, has recently obtained funding from KeyBank Community Development Lending and Investment. Construction and permit financing is being arranged by KeyBank.
- Johnson Ranch Estates, which is still in early stages, features 82 single family lots in part of the Butte Vista Neighborhood. Construction is planned to begin next year.
- Dunn Ranch, another residential subdivision, is under construction with multiple newly constructed homes. This neighborhood includes more than 90 single family lots.

Sutter County Economic Forecast

Economic Indicators

2015-2022 History, 2023-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	95,844	31.7	109	165	100	\$3.8	\$1.1	\$1.6	\$733	\$51,147	10.8	\$696	1.4
2016	96,517	31.8	87	50	103	\$3.9	\$1.2	\$1.6	\$548	\$51,070	9.7	\$643	2.3
2017	97,771	32.0	846	39	104	\$4.0	\$1.2	\$1.7	\$583	\$49,751	8.8	\$710	3.0
2018	99,334	32.0	1,075	100	106	\$4.2	\$1.3	\$1.8	\$683	\$49,466	7.6	\$709	3.7
2019	101,046	32.1	1,332	135	109	\$4.4	\$1.3	\$1.8	\$689	\$49,669	7.4	\$795	2.9
2020	99,355	33.1	-2,057	87	110	\$4.9	\$1.4	\$1.9	\$712	\$55,663	11.3	\$636	1.8
2021	98,855	33.2	-796	81	112	\$5.3	\$1.7	\$2.3	\$744	\$57,040	11.6	\$667	4.2
2022	99,045	33.3	-6	141	110	\$5.2	\$1.7	\$2.3	\$728	\$52,429	6.6	\$569	7.3
2023	99,527	33.4	196	127	113	\$5.5	\$1.8	\$2.4	\$758	\$53,514	7.8	\$629	3.8
2024	99,950	33.6	152	128	113	\$5.8	\$1.8	\$2.5	\$763	\$54,233	7.9	\$682	3.0
2025	100,412	33.7	217	137	114	\$6.1	\$1.9	\$2.7	\$764	\$54,888	8.0	\$693	2.8
2026	101,018	33.8	381	150	117	\$6.3	\$2.1	\$2.8	\$764	\$55,713	7.9	\$702	2.2
2027	101,686	34.0	456	154	120	\$6.6	\$2.2	\$3.0	\$764	\$56,396	8.0	\$708	2.2
2028	102,327	34.1	446	154	122	\$6.8	\$2.3	\$3.1	\$766	\$56,925	7.9	\$712	2.1
2029	102,952	34.3	454	154	124	\$7.1	\$2.4	\$3.3	\$767	\$57,386	7.9	\$717	2.1
2030	103,540	34.4	447	152	125	\$7.3	\$2.5	\$3.4	\$769	\$57,696	8.1	\$720	2.2
2031	104,133	34.6	467	152	127	\$7.6	\$2.6	\$3.5	\$771	\$58,023	8.1	\$723	2.1
2032	104,781	34.7	543	155	130	\$7.8	\$2.7	\$3.7	\$772	\$58,133	8.0	\$726	2.3
2033	105,419	34.9	550	157	132	\$8.0	\$2.8	\$3.8	\$773	\$58,444	7.9	\$728	1.9
2034	105,973	35.0	486	155	134	\$8.3	\$2.9	\$3.9	\$774	\$58,742	8.0	\$729	2.1
2035	106,438	35.2	425	152	136	\$8.5	\$3.0	\$4.0	\$775	\$58,997	8.1	\$731	2.2
2036	106,820	35.3	371	146	137	\$8.8	\$3.1	\$4.2	\$775	\$59,088	8.2	\$731	2.6
2037	107,148	35.5	340	141	139	\$9.1	\$3.1	\$4.3	\$776	\$59,221	8.3	\$732	2.7
2038	107,512	35.6	404	141	141	\$9.4	\$3.2	\$4.4	\$777	\$59,628	8.4	\$733	2.5
2039	107,843	35.8	400	140	143	\$9.7	\$3.3	\$4.5	\$777	\$59,695	8.3	\$733	2.7
2040	108,142	35.9	390	139	145	\$10.0	\$3.4	\$4.6	\$778	\$59,971	8.4	\$733	2.6
2041	108,383	36.0	351	136	147	\$10.3	\$3.5	\$4.8	\$778	\$60,335	8.4	\$734	2.2
2042	108,576	36.2	334	134	148	\$10.6	\$3.6	\$4.9	\$779	\$60,701	8.2	\$734	2.1
2043	108,746	36.3	327	131	150	\$11.0	\$3.7	\$5.0	\$779	\$61,179	8.2	\$734	2.0
2044	108,995	36.4	426	134	152	\$11.3	\$3.8	\$5.2	\$779	\$61,897	8.2	\$734	1.8
2045	109,222	36.6	426	136	154	\$11.6	\$4.0	\$5.4	\$780	\$62,405	8.2	\$734	1.9
2046	109,378	36.7	378	136	156	\$12.0	\$4.1	\$5.5	\$780	\$62,783	8.2	\$734	2.0
2047	109,475	36.8	337	133	157	\$12.3	\$4.2	\$5.7	\$780	\$63,051	8.2	\$735	2.2
2048	109,527	37.0	310	130	159	\$12.6	\$4.3	\$5.9	\$780	\$63,312	8.2	\$735	2.3
2049	109,662	37.1	402	132	161	\$13.0	\$4.5	\$6.1	\$781	\$63,896	8.1	\$735	2.0
2050	109,793	37.2	401	133	163	\$13.4	\$4.6	\$6.3	\$781	\$64,286	8.1	\$735	2.1

Employment Sectors

2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	29.4	4.0	1.3	1.5	0.9	5.5	1.1	2.1	0.2	4.4	2.9	4.8
2016	30.8	4.5	1.5	1.5	0.9	5.8	1.2	2.1	0.2	4.7	2.7	4.9
2017	31.0	4.4	1.4	1.5	1.0	5.8	1.1	2.2	0.2	4.7	2.9	5.1
2018	31.7	4.7	1.4	1.5	0.9	5.9	1.2	2.1	0.2	4.9	3.0	5.1
2019	32.7	4.5	1.6	1.5	1.4	5.8	1.2	2.2	0.2	5.1	3.3	5.1
2020	31.6	4.2	1.6	1.4	1.8	5.6	1.1	2.3	0.1	5.1	2.8	4.8
2021	32.7	4.0	1.6	1.5	2.0	5.8	1.1	2.3	0.1	5.3	3.2	5.1
2022	34.1	4.0	1.8	1.5	2.1	5.9	1.1	2.2	0.1	5.5	3.5	5.6
2023	35.0	3.9	2.0	1.5	2.1	5.9	1.1	2.3	0.1	5.8	3.7	5.9
2024	35.2	3.9	2.0	1.5	2.1	5.8	1.1	2.3	0.1	5.9	3.7	5.9
2025	35.5	4.0	1.9	1.5	2.1	5.9	1.1	2.4	0.1	6.1	3.7	5.9
2026	36.2	4.0	1.9	1.5	2.1	6.1	1.1	2.4	0.1	6.3	3.7	6.0
2027	36.9	4.0	1.9	1.5	2.2	6.2	1.1	2.5	0.1	6.6	3.7	6.2
2028	37.4	4.0	1.8	1.6	2.2	6.3	1.1	2.5	0.1	6.9	3.8	6.3
2029	38.0	4.0	1.8	1.6	2.2	6.3	1.1	2.5	0.1	7.2	3.8	6.4
2030	38.4	4.0	1.8	1.6	2.2	6.3	1.1	2.5	0.1	7.5	3.8	6.6
2031	38.9	4.0	1.8	1.6	2.3	6.3	1.1	2.5	0.1	7.8	3.8	6.7
2032	39.6	4.0	1.8	1.6	2.3	6.5	1.1	2.5	0.1	8.2	3.9	6.9
2033	40.1	4.0	1.8	1.6	2.3	6.5	1.1	2.5	0.1	8.5	3.9	7.0
2034	40.7	4.0	1.8	1.6	2.3	6.6	1.1	2.5	0.1	8.8	3.9	7.2
2035	41.2	4.0	1.8	1.6	2.3	6.6	1.1	2.5	0.1	9.1	3.9	7.3
2036	41.6	4.0	1.8	1.6	2.3	6.5	1.1	2.5	0.1	9.4	4.0	7.5
2037	42.1	4.0	1.8	1.6	2.3	6.5	1.1	2.5	0.1	9.7	4.0	7.6
2038	42.7	4.0	1.8	1.6	2.3	6.6	1.2	2.6	0.1	10.0	4.0	7.8
2039	43.2	4.0	1.8	1.6	2.4	6.7	1.2	2.6	0.1	10.3	4.0	7.9
2040	43.7	4.0	1.8	1.6	2.4	6.7	1.2	2.6	0.1	10.6	4.0	8.1
2041	44.2	4.0	1.8	1.6	2.4	6.7	1.2	2.6	0.1	10.9	4.0	8.2
2042	44.6	4.0	1.8	1.6	2.4	6.6	1.2	2.6	0.1	11.2	4.1	8.3
2043	45.1	4.0	1.8	1.6	2.4	6.6	1.2	2.6	0.1	11.5	4.1	8.5
2044	45.7	4.0	1.8	1.6	2.4	6.8	1.2	2.6	0.1	11.8	4.1	8.6
2045	46.2	4.0	1.8	1.6	2.4	6.8	1.2	2.6	0.1	12.1	4.1	8.8
2046	46.7	4.0	1.8	1.6	2.5	6.8	1.2	2.6	0.1	12.4	4.1	8.9
2047	47.1	4.0	1.8	1.6	2.5	6.8	1.2	2.6	0.1	12.7	4.1	9.0
2048	47.5	4.0	1.8	1.6	2.5	6.8	1.2	2.6	0.1	12.9	4.1	9.2
2049	48.1	4.0	1.8	1.6	2.5	6.9	1.2	2.6	0.1	13.2	4.1	9.3
2050	48.6	4.0	1.8	1.6	2.5	7.0	1.2	2.6	0.1	13.5	4.1	9.4

Sutter County Economic Forecast

Socioeconomic Indicators

